

Single Family Housing Guaranteed Loan Program: REFINANCE FACT SHEET

Processing Requirement	Streamlined Refinance Guaranteed loans are eligible.	Non-streamlined Refinance Guaranteed and Direct loans are eligible.	Rural Refinance Pilot Direct and Guaranteed loans are eligible.
Is it required that the loan to be refinanced be a Section 502 Direct or Guaranteed loan, and not an FHA, VA, Fannie Mae or Freddie Mac loan?	YES	YES	YES
What are the correct Upfront and annual guarantee fees?	Upfront: 1.5% Annual: .30%	Upfront: 1.5% Annual: .30%	Upfront: 1.5% Annual: .30%
Does the applicant have to be of low or moderate income; do the adjusted household income limits apply?	YES Full income documentation of all adult household members is required.	YES Full income documentation of all adult household members is required.	YES Full income documentation of all adult household members is required.
Does the property have to be located in an eligible rural area?	NO Properties eligible at origination that have become ineligible are still eligible.	NO Properties eligible at origination that have become ineligible are still eligible.	NO Properties eligible at origination that have become ineligible are still eligible.
Must this property be the borrower's primary residence?	YES	YES	YES
Which States/Territories are eligible?	All eligible	All eligible	AL, AZ, CA, FL, GA, IL, IN, KY, MI, MS, NV, NJ, NM, NC, OH, OR, RI, SC and TN only.
May borrowers be added or deleted from the current loan?	YES New borrowers may be added, existing borrowers may be deleted. One original borrower must remain.	YES New borrowers may be added, existing borrowers may be deleted. One original borrower must remain.	NO New borrowers may not be added. Existing borrowers may not be deleted unless they are deceased.
Is a credit report required?	YES Adverse credit will require a documented credit waiver.	YES Adverse credit will require a documented credit waiver.	NO Lenders must verify the previous 12 months of mortgage payments have been paid as agreed. If a credit report is obtained, only the mortgage payment history should be reviewed.
What may be included in the new loan amount?	Principal balance of loan and the one time up-front guarantee fee.	Principal balance of loan and the one time up-front guarantee fee. Accrued interest, eligible closing costs, lender fees, etc. may be included if there is room between the principal balance of the loan and the appraised value.	Principal balance of loan and the one time up-front guarantee fee. Accrued interest, eligible closing costs, lender fees, etc. may be included. Lenders may charge an origination fee not to exceed 1% of the loan amount. This is an eligible loan closing cost.

Eligible closing costs/lenders fees	Lenders may charge normal and customary closing costs.	Lenders may charge normal and customary closing costs.	Lenders may charge normal and customary closing costs. Such charges may not exceed the cost paid by the lender or charged to the lender by the service provider.
Can Direct loan subsidy recapture due be financed into the new loan?	NO Recapture due must be paid by the borrower or subordinated.	YES Subsidy recapture due may be financed as part of the loan balance. The recapture amount due may be deferred when subordinated to the new guaranteed loan. A 25% discount will be applied to recapture due if the borrower pays the balance due rather than defer.	NO Recapture due must be paid by the borrower or subordinated.
Interest Rate	Fixed rate, lower than the current interest rate. May not exceed maximum rate per 1980.320.	Fixed rate, lower than the current interest rate. May not exceed maximum rate per 1980.320.	Fixed rate, a minimum of 100 basis points below the current interest rate. May not exceed maximum rate per 1980.320.
Loan Term	30 years	30 years	30 years
Ratios	29/41 A debt ratio waiver may be requested with documented compensating factors.	29/41 A debt ratio waiver may be requested with documented compensating factors.	No ratio thresholds apply/no calculation required.
Is a new appraisal required?	NO	YES	NO: Guaranteed loans to Guaranteed loans YES: Direct loans to Guaranteed loans, but only for the purpose of calculating subsidy recapture.
Is a HUD Handbook Inspection required?	NO	NO	NO
Are additional property inspections (Termite, Septic, or Well) required?	NO	NO	NO
Is a flood determination certificate required?	YES Flood insurance must be obtained if necessary. No flood elevation survey is required.	YES Flood insurance must be obtained if necessary. No flood elevation survey is required.	YES Flood insurance must be obtained if necessary. No flood elevation survey is required.
Is cash out allowed?	NO Borrowers may only receive cash back for eligible loan costs they have advanced personal funds.	NO Borrowers may only receive cash back for eligible loan costs they have advanced personal funds.	NO Borrowers may only receive cash back for eligible loan costs they have advanced personal funds.
Can the loan be processed in GUS?	NO	YES	NO

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